

APPLICATION ON PAPERS

CONSENT ORDERS CHAIR OF THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

REASONS FOR DECISION

In the matter of: Mr Hing Chuen Wan

Heard on: Thursday, 06 October 2022

Location: Remotely via ACCA Offices, The Adelphi,
1-11 John Adam Street, London WC2N
6AU

Chair: HH Suzan Matthews KC

Legal Adviser: Mr Robin Havard

Summary: Member Reprimanded
Costs payable to ACCA - £876

CONSTITUTION OF THE COMMITTEE

1. A Consent Order is made on the order of the Chair under the relevant regulations.

INTRODUCTION

2. The Chair had considered a draft Consent Order dated 6 September 2022, signed by Mr Wan and a signatory on behalf of ACCA, together with supporting documents in a bundle numbering pages 1 to 53.
3. When reaching her decision, the Chair had been referred by the Legal Adviser to the requirements of Regulation 8 of the Complaints and Disciplinary Regulations 2014 (as amended) ("CDR8") and had accepted his advice. The

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Chair had also taken account of the content of ACCA's documents entitled "Consent Orders Guidance" and "Consent Orders Guidance FAQs".

4. The Chair was satisfied that Mr Wan was aware of the terms of the draft Consent Order and that it was being considered today.
5. The Chair was also satisfied that Mr Wan was aware that he could withdraw his agreement to the signed draft consent order by confirming the withdrawal in writing. No such withdrawal had been received.

ALLEGATIONS

Mr Hing Chuen Wan admitted the following:

Allegation 1

Pursuant to Bye-law 8(a)(vi), Mr Wan, is liable to disciplinary action by virtue of regulatory action taken against him on 28 July 2021 by Hong Kong Institute of Certified Public Accountants ("HKICPA").

Allegation 2

Pursuant to Bye-law 10(b), Mr Wan is liable to disciplinary action as he failed to promptly notify ACCA that he was disciplined by HKICPA on 28 July 2021.

Allegation 3

By reason of his conduct at allegations 1 and 2 above, Mr Wan is:

- i. Guilty of misconduct pursuant to bye-law 8(a)(i); or
- ii. Liable to disciplinary action pursuant to bye-law 8 (a)(iii).

DECISION ON FACTS

6. The following facts were agreed upon by Mr Wan and ACCA.
7. The investigating officer had conducted an investigation into the allegations against Mr Hing Chuen Wan in accordance with CDR8(1)(a) and was satisfied that:
 - a) they had conducted the appropriate level of investigation as evidenced by the enclosed evidence bundle and determined that there was a case to answer against Mr Hing Chuen Wan and that there was a real prospect of a reasonable tribunal finding the allegations proved; and
 - b) the proposed allegations were unlikely to result in exclusion from membership.

8. The relevant facts, failings and/or breaches had been agreed upon between the parties and were set out in the detailed allegations above together with the proposed sanction and costs.
9. A summary of key facts were as follows.
10. On 28 July 2021, the HKICPA reprimanded and fined Mr Hing Chuen Wan for failure or neglect to observe maintain or otherwise apply Hong Kong Standard on Auditing ("HKSA") 230 Audit Documentation and/or HKSA 500 Audit Evidence.
11. Having been notified by HKICPA in October 2021 of the findings in respect of Mr Wan, ACCA had initially written to Mr Wan on 25 February 2022 asking him to provide an explanation in respect of the proceedings. Mr Wan failed to reply to this correspondence from ACCA and a further letter from ACCA dated 21 March 2022.
12. On 20 April 2022, ACCA wrote to Mr Wan again, asking for his response and reminding him of his obligation to cooperate with ACCA's investigation.
13. On 6 May 2022, Mr Wan wrote to ACCA and provided a full response.

DECISION ON ALLEGATIONS AND REASONS

14. In accordance with Regulation 8 of the CDR, the Chair has the power to approve or reject the draft Consent Order or to recommend amendments. The Chair can only reject a signed draft Consent Order if she is of the view that the admitted breaches would more likely than not result in exclusion from membership or removal from the student register.
15. The Chair was satisfied that there was a case to answer and that it was appropriate to deal with the complaint by way of a Consent Order. The Chair considered that the Investigating Officer had followed the correct procedure.
16. The Chair considered the bundle of evidence. On the basis of the documentary evidence, including the finding of the HKICPA and the sanction imposed, together with the admission of the allegations by Mr Wan, found the facts of the allegations proved. She considered that the admitted facts and Mr Wan's actions amounted to misconduct in that they brought discredit to him, the Association and the accountancy profession. They, therefore, justified disciplinary action under bye-law 8(a)(i).

SANCTION AND REASONS

17. In deciding whether to approve the proposed sanction of a reprimand, the Chair had considered the Guidance to Disciplinary Sanctions ("the Guidance"). This included the key principles relating to the public interest, namely: the protection of members of the public; the maintenance of public confidence in the profession and in ACCA, and the need to uphold proper

standards of conduct and performance. The Chair also considered whether the proposed sanction was appropriate, proportionate and sufficient.

18. In reaching her decision, the Chair had noted, and agreed with, the following aggravating features as identified by ACCA:
 - The conduct which led to Mr Hing Chuen Wan being the subject of action by the HKICPA fell below the standards expected of a qualified ACCA member. As such his conduct had brought discredit upon himself, ACCA and the accountancy profession.
19. In deciding that a reprimand was the most suitable sanction, paragraphs C3.1 to C3.5 of ACCA's Guidance have been considered. The Chair had noted, and agreed with, the following mitigating factors identified by ACCA:
 - Mr Hing Chuen Wan had paid in full the financial penalty and all costs imposed by HKICPA;
 - The investigation had not found evidence suggesting Mr Hing Chuen's conduct was in deliberate disregard of his professional obligations;
 - There did not appear to be any continuing risk to the public and Mr Hing Chuen Wan had not signed off any audits since December 2019 and was currently in new employment.
 - The disciplinary action taken by the HKICPA related to a single incident.
 - Mr Hing Chuen Wan had taken the steps to improve his knowledge and skills in auditing by taking a personal tuition course.
 - Mr Hing Chuen Wan had been a member of ACCA since 10 July 1997 and had a previous good record with no previous complaint or disciplinary history;
 - Mr Hing Chuen Wan had fully co-operated with the investigation and regulatory process.
20. The Chair considered that both the aggravating and mitigating features identified by ACCA were supported by documentary evidence and were relevant.
21. In the Chair's view, the finding of the HKICPA was serious and the public interest would not be served by making no order, nor would an admonishment adequately reflect the seriousness of Mr Wan's conduct.
22. In all the circumstances, the Chair was satisfied that the sanction of reprimand was appropriate, proportionate, and sufficient, that removal of Mr Wan from the register would be a disproportionate outcome and that a Disciplinary Committee would be unlikely to remove him from the register.

COSTS AND REASONS

23. ACCA was entitled to its costs in bringing these proceedings. The claim for costs in the sum of £876, which had been agreed by Mr Wan, appeared appropriate.

ORDER

24. Accordingly, the Chair approved the terms of the attached Consent Order. In summary:
- a. Mr Wan shall be reprimanded; and
 - b. Mr Wan shall pay costs of £876 to ACCA.

HH Suzan Matthews KC
Chair
6 October 2022